

Message Text

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TAGS: ETRD, ENRG, EFIN, PFOR, UR, US

SUBJECT: SOVIET DEPUTY FOREIGN TRADE MINISTER STRESSED VALUE
OF DETENTE FOR THE SOVIET ECONOMY

1. SUMMARY. AN UNUSUALLY SPECIFIC EXPLANATION OF HOW
DETENTE HAS HELPED THE SOVIET UNION BY PERMITTING EXPANDED IMPORTS
OF TECHNOLOGY AND EQUIPMENT FROM DEVELOPED WESTERN COUNTRIES IS
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MADE BY FIRST DEPUTY MINISTER OF FOREIGN TRADE, I.F. SCMICHAISTNOV,

IN A LONG INTERVIEW PUBLISHED IN RECENT ISSUES OF TRUD (LABOR). HIS REMARKS CONSTITUTE ANOTHER SELLING JOB BY TOP SOVIET MANAGEMENT ON THE ADVANTAGES OF DETENTE AND THE NEW FORMS OF FOREIGN ECONOMIC RELATIONS. SEMICHASTNOV'S APPROACH CONTRASTS STRONGLY WITH THAT TAKEN BY DEPUTY GOSPLAN CHAIRMAN INOZEMTSEV IN AN ARTICLE PUBLISHED IN 1975 IN WHICH HE CLAIMED THAT THE USSR COULD EASILY ACHIEVE ITS DEVELOPMENT GOALS WITHOUT WESTERN IMPORTS, IF THAT WERE NECESSARY. END SUMMARY

2. WE NOTE HERE ONLY THOSE ASPECTS OF SEMICHASTNOV'S COMMENTS WHICH ARE UNUSUAL IN COMPARISON WITH SIMILAR ARTICLES BY OTHER TOP FOREIGN TRADE OFFICIALS.

A) THERE IS A VERY STRONG EMPHASIS ON THE BENEFICIAL ROLE WHICH DETENTE HAS PLAYED IN THE SHARP RISE IN SOVIET TRADE WITH DEVELOPED CAPITALIST COUNTRIES. THIS TRADE INCREASED BY MORE THAN THREE TIMES DURING 1971-75 COMPARED WITH THE PREVIOUS FIVE-YEAR PERIOD. IN THE PAST FIVE YEARS, IN FACT, "OUR FOREIGN TRADE (WITH THESE COUNTRIES) DEVELOPED AT SUCH A HIGH TEMPO AS WE NEVER HAD BEFORE." THE AVERAGE YEARLY RATE OF GROWTH FOR ALL FOREIGN TRADE WAS 18 PERCENT, COMPARED WITH 8.6 PERCENT IN THE PREVIOUS FIVE-YEAR PERIOD. "IT IS COMPLETELY OBVIOUS THAT SUCH AN EXPANSION OF INTERNATIONAL COOPERATION CAN BE ACHIEVED ONLY IN CONDITIONS OF INCREASED TRUST BETWEEN COUNTRIES WITH DIFFERENT SOCIAL STRUCTURES AND A DEEPENING OF THE PROCESS OF DETENTE."

B) LARGE WESTERN CREDITS ARE DESCRIBED, AND ALSO WHAT THE USSR IS GETTING WITH THEM IN RESPONSE TO A QUESTION ABOUT THE CURRENT STRUCTURE OF TRADE AND ECONOMIC TIES WITH DEVELOPED CAPITALIST COUNTRIES, SEMICHASTNOV SAID THAT WITH MANY OF THEM SOVIET ECONOMIC RELATIONS ARE BASED ON LONG-TERM ECONOMIC AGREEMENTS WHICH INCLUDE LONG-TERM CREDIT AGREEMENTS PERMITTING THEIR FIRMS TO RECEIVE SOVIET ORDERS FOR INDUSTRIAL EQUIPMENT INCLUDING COMPLETE PLANTS. THE COUNTRIES EXTENDING SUCH CREDITS ARE LISTED AS FRANCE, ITALY, JAPAN, THE UK, AND CANADA. AND THE PURCHASES UNDER THE CREDITS ARE DESCRIBED AS EQUIPMENT FOR FERROUS AND NON-FERROUS METALLURGY, CHEMICAL, PETROCHEMICAL, GAS, TIMBER, PAPER CELLULOSE, LIGHT AND FOOD INDUSTRIES, AND ALSO LIMITED OFFICIAL USE

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IMPORTS FOR "OUR AGRICULTURE AND FOR SUCH IMPORTANT TENTH FIVE-YEAR PLAN PROJECTS AS KAMAZ, THE BAM (BAIKAL-AMUR RAILWAY) AND OTHERS."

C) THE US IS LISTED AS FOURTH LARGEST WESTERN TRADING PARTNER, BUT THERE IS NO MENTION OF FACT THAT GRAIN ACCOUNTED FOR VERY IMPORTANT SECTOR IN THIS TRADE. LEADING PARTNERS ARE FRG (RUBLES 2.8 BILLION), JAPAN (R 1.9 BILLION), FINLAND (R 1.8 BILLION), USA (R 1.6 BILLION).

D) THE US IS INCLUDED AS ONE OF COUNTRIES ACCEPTING PAYMENT FOR CAPITAL GOODS THROUGH "COMPENSATION AGREEMENTS." TOGETHER WITH THE FRG, FRANCE, ITALY, AUSTRIA AND JAPAN, THE US IS CALIMED TO BE DELIVERING EQUIPMENT FOR MORE THAN 50 INDUSTRIAL PLANTS FOR WHICH PAYMENT WILL BE MADE IN PRODUCTS.

E) POSSIBILITIES FOR CONTINUED EXPANSION OF TRADE WITH DEVELOPED WESTERN STATES DEPEND TO GREAT EXTENT ON SINCERETY AND READINESS OF THESE COUNTRIES TO PROMOTE NORMAL RELATIONS. VESTIGES ON DISCRIMINATION CONTINUE IN SOME CIRCLES, SOMETHING WHICH IS CONTRARY TO CSCE AND HELSINKI.

F) GREAT EMPHASIS IS PLACED ON EXPANSION OF SOVIET EXPORT POTENTIAL THROUGH MODERNIZATION OF EXPORT INDUSTRIES AND TRAINING SOVIET SPECIALISTS TO PRODUCE FOR THE WORLD MARKET, IN OTHER WORDS PRODUCTION OF COMPETITIVE MANUFACTURED GOODS.

3. COMMENT: THIS ARTICLE IS INTERESTING AS ONE MORE SELLING JOB BY A HIGH-LEVEL FOREIGN TRADE MINISTRY OFFICIAL WHO IS PROMOTING THE ADVANTAGES OF DETENTE AND THE MORE MODERN FORMS OF SOVIET FOREIGN ECONOMIC RELATIONS (E.G. COMPENSATION DEALS, LONG-TERM COOPERATION AGREEMENTS, LARGE CHUNKS OF FOREIGN CREDIT). IN SOME WAYS IT IS UNUSUALLY SPECIFIC. FOR EXAMPLE, THE READER LEARNS THAT DETENTE AND CREDITS ARE HELPING IN THE CONSTRUCTION OF THE BAM AND ALSO KAMAZ. AND IF THE WESTERN COUNTRIES CONTINUE TO BE "REASONABLE", INCREASED TRADE AND FURTHER ACQUISITION OF THESE ITEMS WILL BE POSSIBLE. THIS APPROACH DIFFERS CONSIDERABLY FROM THAT PROMOTED BY DEPUTY GOSPLAN CHAIRMAN N N INOZEMTSEV IN AN ARTICLE PUBLISHED IN THE SOVIET PRESS IN 1975, IN WHICH HE STRESSED THAT THE SOVIET UNION CAN, IF NECESSARY, EASILY DO WITHOUT IMPORTS OF WESTERN EQUIP-
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MENT AND TECHNOLOGY AND ACCOMPLISH ITS ECONOMIC DEVELOPMENT TARGETS ALONG.
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